Appendix

PHILIPPINE STATUTES.

Act No. 2339. An act revising and consolidating the laws relative to internal revenue. Enacted February 27, 1914.

Sec. 79. Tax on insurance premiums. There shall be collected from every person, company, or corporation (except purely cooperative companies or associations) doing insurance business of any sort in the Philippine Islands a tax of one per cent. of the total premiums collected during each calendar year, whether paid in money, notes, credits, or any substitute for money, but premiums refunded within six months after payment on account of rejection of risk or returned for other reason to persons insured shall not be included in the taxable receipts; nor shall any tax be paid upon reinsurance by a company that has already paid the tax.

Act No. 2427. An act revising the insurance laws and liquidating insurance business in the Philippine Islands. Enacted Dec. 11, 1914.

Sec. 57. An open policy is one in which the value of the thing insured is not agreed upon, but is left to be ascertained in case of loss.

Sec. 59. A running policy is one which contemplates successive insurances, and which provides that the object of the policy may be from time to time defined,

especially as to the subjects of insurance, by additional statements or indorsements.

Sec. 192 (Amended by Act No. 2430, *infra*).

Act No. 2430, amending Section 192 of Act No. 2427, *supra*. Enacted Dec. 15, 1914.

"Sec. 192. It shall be unlawful for any person, company or corporation in the Philippine Islands either to procure, receive, or forward applications for insurance in or to issue or to deliver or accept policies of or for any company or companies not having been legally authorized to transact business in the Philippine Islands, as provided in this chapter; any such person, company, or corporation violating the provisions of this section shall be deemed guilty of a penal offense, and, upon conviction thereof, shall for each such offense, be punished by a fine of two hundred pesos, or imprisonment for two months, or both in the discretion of the Court: Provided, That insurance in companies not authorized to transact business in the Philippine Islands may be placed upon terms and conditions as follows:

"The Insurance Commissioner may issue a certificate of authority to any regularly authorized fire or marine insurance agent of the Philippine Islands, subject to revocation at any time, permitting the person named therein to procure policies of insurance on risks located in the Philippine Islands for companies not authorized to transact business in the Philippine Islands.

"Before the agent named in such certificate of authority shall procure any insurance in such company there shall be executed and filed in each case with the Insurance Commissioner by the agent and by the party desiring the insurance affidavits setting forth that the party desiring insurance is after diligent effort unable to procure, in any of the companies authorized to do business in the Philippine Islands, the amount of insurance necessary.

"Every such agent shall keep a separate account of the business done under the authority of this section, open at all times to the inspection of any authorized Government officer, showing the exact amount and character of such insurance placed for any person, firm, or corporation, the gross premiums charged thereon, the companies with which the same is placed, the dates of the policies, the terms thereof, and the location of the insured property.

"Such agent shall likewise make a yearly report to the Collector of Internal Revenue at the time and in the manner prescribed in section eighty-one of Act Numbered Twenty-three hundred and thirty-nine, showing the entire amount of all premiums received by the company he represents under the authority of this section. And such agent shall pay to the Collector of Internal Revenue a tax equal to twice the tax imposed by section seventy-nine of Act Numbered Twenty-three hundred and thirty-nine, which tax shall be paid at the same time and be subject to the same penalty for delinquency as the tax imposed by said Act Numbered Twenty-three hundred and thirty-nine: Provided, however, That the provisions of this section

shall not apply to reinsurance: *And provided further,* that the prohibitions of this section shall not affect the right of an owner of property to apply for and obtain for himself policies in foreign companies in cases where said owner does not make use of the services of any agent, company or corporation residing or doing business in the Philippine Islands. In all cases where owners of property obtain insurance directly with foreign companies, it shall be the duty of said owners to report to the Insurance Commissioner and to the Collector of Internal Revenue each case where insurance has been so effected, and shall pay the tax of one per centum on premiums paid, in the manner required by law of insurance companies, and shall be subject to the same penalties for failure to do so."

ACTS OF CONGRESS.

Act of July 1, 1902, c. 1369, 32 Stat. L. 691.

Section 5. (Declaration of rights.) That no law shall be enacted in said Islands which shall deprive any person of life, liberty or property without due process of law, or deny to any person therein the equal protection of the laws.

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That the rule of taxation in said Islands shall be uniform.

Act of Aug. 29, 1916, c. 416.

Section 3. Bill of Rights and Restrictions for Philippine Islands.

No law shall be enacted in said Islands which shall deprive any person of life, liberty or property without due process of law, or deny to any person therein the equal protection of the laws. Private property shall not be taken for public use without just compensation.

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That the rule of taxation in said Islands shall be uniform.